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Sidney Myers



Speech before the
Illinois state grange

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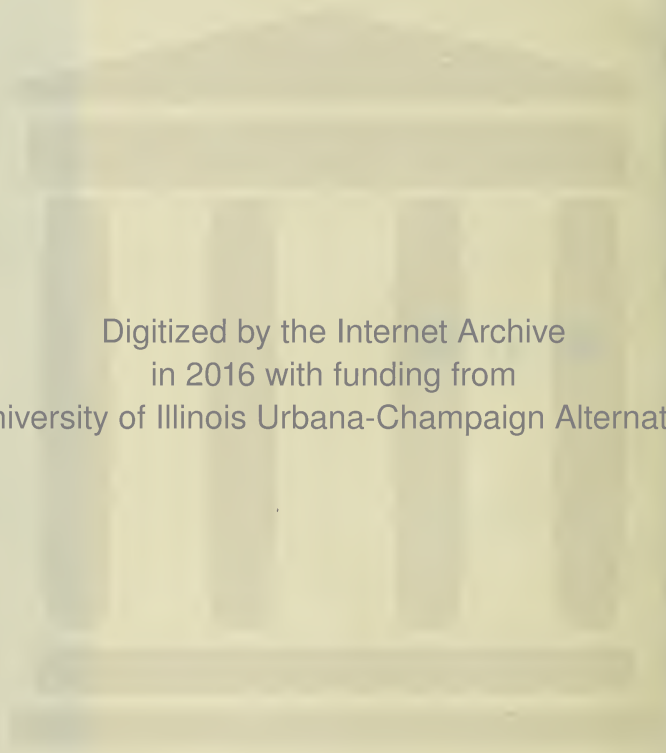
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SPEECH OF SYDNEY MYERS, ESQ.,

BEFORE THE

ILLINOIS STATE GRANGE

OF THE

PATRONS OF HUSBANDRY,

AT

CHAMPAIGN, ILLINOIS, DEC. 14, 1875.

*Mr. President, Patrons and Matrons
of the Illinois State Grange:*

Organization is a universal index of development. In nature, from the oyster to the man, we see a continued gradation of organization and development, until it reaches the highest stage—man, made in the image of God, with full understanding and power of direction. Individuals, separate, have power, doubtless; but separated, they are, as it were, plates. When united under proper circumstances, and placed in proper juxtaposition, they become a voltaic pile, capable of generating power that may

CONVULSE A CONTINENT,

may, a world. It is gratifying to see that the people of the United States are organizing themselves. It is gratifying to see that while all other classes of society (that great co-operative organization of which we are all members,) have organized themselves so as to co-operate, and wield their power, their united will and understanding, in a concentrative manner, the great yeomanry of the United States of America, our farmers, have progressed so far in organization in order that they may, by unity of action, by unity of their intellect and their judgment, by the unity of that knowledge which they possess bring to bear upon public opinion their just proportion of influence and weight. And I am gratified, too, to see that the farmers' organizations have the independence to reserve to themselves the liberty of pulling in their latch string, as well as shoving it out, as they have

done this evening to the general public.
My theme to night is

FINANCE.

It is, perhaps, a dry subject. Bread and butter is a dry subject, and bread without butter is dryer, and not enough bread is dryer still (applause). There are too many men in this country to-day that are not earning their bread and butter, and when we come to consider the subject of finance one of its principal features is to ascertain by what means it may be brought within the reach of every man and woman in the United States to earn an honest living, that it may be said that any one who is willing to work may find work, and just compensation for that work.

FINANCE DISCUSSED ABROAD.

The discussion of the subject of finance, the interested and the active discussion of the subject of finance, is not confined to this country; and even here it has scarcely begun. This interesting subject is being discussed in all civilized countries, and, in no country, as far as my observation enables me to judge, is there a system which is entirely satisfactory. Meetings are being held by the boards of trade in every part of England, Scotland and Ireland. Delegates have recently been appointed to attend a representative meeting of all the boards of trade in the united kingdom of Great Britain and Ireland for the purpose of petitioning the British Government to appoint a parliamentary commission to examine into the condition of British finance, and to ascertain whether it is not practicable to have

a system of finance changed by which the price of money, varies as it does now, from two and one-half per cent. per annum, up to ten per cent. or more within short periods. The manufacturers say we often go into the market and purchase our raw material when money is worth only $2\frac{1}{2}$ per cent. per annum. When interest is low, prices are high; we purchase our raw material at a high price; "we engage in its manufacture; it may take us six months before we are prepared to turn out a finished article ready for the market; and when we are prepared to turn out the finished article we may find the rates of interest double, treble or quadruple," money scarce and prices low. It has frequently been the case that the rate of interest in England has raised from two and one-half per cent. to 7 and 8 per cent. within sixty days—and that recently—and the rate has gone as high as 12 per cent. The British merchants and manufacturers say to the government, "we cannot stand this. It turns us from being legitimate business men, engaged by our labor in adding to the value of raw material by changing its form into things of use and enjoyment, looking to the return for our labor, in receiving an adequate price in the market—it turns us from that business to that of mere speculators. We find that many of us will get rich faster, apparently, by selling short what we have not got, or buying long more than we can pay for without a rise, rather than manufacture." [Applause.] Let "some one else do the work and we will guess and see if we cannot make a profit by guessing."

Such is too much the condition all over the world; and it is one of the most important problems that can employ the attention of an industrious, enterprising people, a civilized people, to ascertain what is the present financial condition, what are the objections to the present condition, and what are the possible remedies.

THE VENETIAN SYSTEM.

Seven hundred and four years ago, Venice, the queen of the Adriatic, then mistress of the commercial world, was carrying on a war with the emperor of the East and with Greece. The Republic needed money; the Republic called upon its citizens to bring in their gold and their silver into the proper department of the treasury of the state; each brought in his gold and his silver, not only from motives of patriotism, but because the council of Ten, who were accustomed to seeing that their orders were obeyed, had commanded that every citizen should contribute means to the State according to his ability. Gold and silver were brought to the treasury,

and as each man passed in his gold and silver he received *credit on the books of the nation* for that amount, as you would receive credit on the books of the merchant when you sell and deliver the products of your farms or at the bank when you make your deposit. Each received credit on the books of the nation and Venice agreed to pay interest at the rate of four per cent. per annum in coin upon every man's balance in the treasury. No checks or circulating notes were used; nothing was received, except as a permanent investment, to go into the hands of the government, and to be expended in their foreign wars. Soon one of those men creditors of the nation died, perhaps leaving five children. The question arose: "This book credit is to his account, is in his name." The administrators desired to divide this estate. There were five heirs. Application was made to the proper authorities. Cannot this one account be divided into five accounts, and this account be closed by having the gross amount credited in proportion to each of the five heirs. That was approved. The same principle was applied in dividing the assets of bankrupts. For even in Venice there were some bankruptcies, but not so many as we have in the civilized countries of these later days, when bankruptcy, sometime during a business life, is the general rule, and immunity from bankruptcy is the exception. Perhaps some of you are not aware that in 1840 the collector of the port of Boston was investigating the

SUBJECT OF BANKRUPTCY,

and he found that in the city of New York there was but one wealthy man who had retired after passing through a business life, who had never suspended payment or failed; that in Boston not over three merchants in a hundred retired from their business in their old age with means enough to bury them, and leave their families provided for even after failure; that the average was the same in Philadelphia, or more startling, and much the same even in Cincinnati, then a comparatively new place. I say that even in Venice there might occasionally be failures, because there must be men who, under the most favorable circumstances, had not the skill, the prudence, or the ability to carry on the business which might grow on their hands. So that there were occasionally men in Venice who failed in business, and it was necessary that their assets should be divided among their creditors. Hence the republic of Venice permitted the assignee in bankruptcy to cause a transfer from the account of the insolvent merchant on the books, to each of his creditors in proportion to the

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amount due, and gradually from this grew up a system by which one owing you a thousand dollars, and having five thousand dollars of credit with the nation, would ask you in that city to step into a gondola and go down to the bank, as it soon got to be called; and would transfer to you from his account of perhaps, \$5,000—\$1,000. The interest would begin to run to your account the day of the transfer; and when they figured up his interest there would be a thousand dollars out of his principal on the day that he made the transfer to you. For nearly six hundred years in the great city of Venice, business was conducted in this way without a panic, without a financial crisis, without a suspension.

CRISIS.

What does a crisis mean? A crisis, financial, means a stoppage of all business, in order that men may settle, and the only way that a commercial people can settle is to inter-change and cancel indebtedness. It is only the smaller business transactions, comparatively speaking, that are settled with currency, yet currency is the basis of all commercial transactions, and not a bale of cotton, not a wagon load of grain, no stock or other farm product can be transferred by the producer to the consumer without the aid of currency. A crisis means a stoppage of manufactures, the throwing of men and women out of employment, the suffering of their families for want of bread and shelter; it means that corn shall be burned upon the farms because the machinery by which its ownership is exchanged is temporarily obstructed and inoperative; it means that the farmer shall want boots and shoes, and clothing, though he has corn, and meat, and butter, and the materials for bread to give for them, while the operatives in the manufacturing establishments, or that should be in the manufacturing establishments, who might be making boots and shoes and clothing for the farmer, are idle, unemployed, as they are, to a great extent to-day in this country. It is a lamentable truth that while the operative should be suffering for bread, the farmer is using his corn for fuel. Under the financial system inaugurated by the Venetians the credits in the Treasury of Venice became so valuable that those who had balances there were offered thirty per cent premium in gold. For centuries the premium was thirty per cent in gold upon this mere paper book account. In time it was found that the debt of Venice was too small to furnish the exchange of that wealthy city, and in order to obviate that difficulty, Venice said, "We cannot run into debt

any more, we have no wars to carry on, our public works are complete, our income is sufficient from the ordinary revenue to pay current expenses, but this is a commercial city: we listen to the cry that comes up from the people; it is the office of government to look to the welfare of the people, because the government is the people's servant and creature." [Applause]. And the Council of Ten considered the matter when the cry came up from the people, and they said, "We will use our intelligence; we will use our good judgement, though we have no precedents," (as we have to-day) "we have no precedent, but

WE WILL MAKE PRECEDENTS

that the world may follow," (and that the world has followed successfully.) They said, "Here is a branch office established; bring in your gold and silver; you shall have credit on the books here for your coin, but not any interest. Venice pays interest only upon what it used of your means to expend in war or for the public good. This branch bank of Venice is for your convenience. Bring in your coin, we will melt it, we will assay it, we will cast it into bars or into coin; it shall rest here in the bank; and whenever you wish to make a payment you can transfer this deposit of coin instead of government debt;" and this brought the government debt to twenty per cent premium instead of thirty. But the merchants preferred the government debt to the coin deposited, and there was that difference of twenty per cent between the two and in favor of government debt bearing four per cent interest. This illustrates a fact that there can be and has been a circulating medium other than coin worth more than coin.

THERE WAS ANOTHER NATION.

Fourteen years ago it needed horses for its cavalry, mules for its trains, clothing to uniform its men, iron to cast into cannon and to forge into armor plates for its ships; it needed the life blood of your sons to maintain the institutions which have been handed down to us as a sacred trust by our fathers. It needed no money, but it thought it did. It went to Wall street, and the banks soon suspended. They had nothing but paper promises to offer the government. But it did not want paper promises, its own promises were better; it wanted those articles that I have named, and with great, good judgment, with wonderful wisdom recognized the fact that the government might give its bonds for what it wanted; that the people would come up as the people of Venice did, not with their gold, though they were willing to offer gold like any other commodity, and did offer

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it, but those things that were necessary to carry on a war to preserve the life of what is yet to be *the great republic*. And what did the whole people through their agent, the government, give to the people individually? What did it give to the merchant for the cloth, to the manufacturer for the improved rifles and bayonets, the accoutrements, to the farmers for forage, for trains, and for cavalry horses? What did it give for the blood of your sons? That is what they gave (exhibiting a greenback).

GREENBACKS.

That is one of the very things that it gave. None of these greenbacks have been issued since the war closed, except duplicates to replace worn out originals. That dollar greenback was one of those that it gave for those things, and

WHAT IS A GREENBACK?

We cannot blame those men who are trying to understand a British system of finance, which is not understandable, if they do not understand our system. When so respectable a house as G. P. Putnam & Sons, of New York, issues a book of reference, in which the definition of greenbacks, is given as United States notes, or "national bank notes." (See *World's Progress*, 1873, page 57.) Legal tender notes of the government, are alone known as greenbacks. Are greenback clubs established for the purpose of advocating the perpetuation of the national bank notes specially? I don't think any greenback club understands it in that way. The greenback is the legal tender obligation issued by the government of the United States direct, without the intervention of any one but its own immediate servants. *This greenback* reads: "The United States will pay the bearer one dollar." That obligation was issued for clothing and munitions of war, and the wages, the pittance received by your boys. That is an obligation to-day unredeemed. I am getting on dangerous ground, am I not? I think not; unredeemed and partially repudiated! When you took that greenback for your farm products, for the products of your manufacturing establishments, there was an endorsement on the back of it which has been surreptitiously erased.

THE FIRST STEP TOWARD REPUDIATION.

There was an endorsement on the back of it providing that it was convertible, at the pleasure of the holder, into a *six per cent.* gold bearing bond of the United States; and when the law was repealed—an unwarranted, unjust thing—violating the contract which you entered into when you delivered that forage, when you delivered those horses,

when you delivered the transportation trains, the contract then was that you might convert this into six per cent. gold bearing bonds, that are now worth a high premium over gold in all the markets of the world; and then the United States government passed an act saying, that after a certain day, not four months, I think, after the passage of the act, all of those greenbacks outstanding, all not brought in for redemption at that time should no longer be convertible into the six per cent. bonds, thereby making them *irredeemable*. It was redeemable before; it was redeemable in bonds worth more than gold. That is what makes it irredeemable. And there was another condition to this contract—you cannot honestly change a contract without the consent of both parties. There was another feature in the contract providing that, as in the bank department of Venice, if one merchant took another down to the bank and said, "I owe you one thousand marks, I am ready to pay you in this wise," Venice says, "that if an individual citizen of Venice 'turns out' what the government of Venice owes him, it shall be a good settlement of private indebtedness, and I propose to turn you out a thousand marks by transferring it from my credit to yours." That was a legal tender. This is a legal tender to-day. This (exhibiting a greenback) represents one share of the two thousand million shares of debt incurred by the United States government, an artificial man created by the men that were made in God's image, the people, and so far as it exists to-day, lives and moves and has its being in its creator, the people. They said, as in the case of Venice, "to transfer government indebtedness was a good settlement of a debt, that the transfer would be a good payment, and would be a legal tender, as this was a great and extensive country, and every one could not go to a single office as in Venice, with those evidences of debt, convertible at the pleasure of the holder into six per cent. gold bearing bonds, legal tender between citizens, that the transfer of one of those notes should be the transfer of the national debt to the amount designated upon the note, that the transfer could be made by the delivery of *this* greenback representative of debt, and so the business has been carried on."

THE SECOND PROPOSED STEP IN REPUDIATION

Treat every one with respect. Thank God we still have a right—how long it may continue I know not—but we still have a right to criticize the acts and proposals of our servants. [applause.] It is proper that when the chief magistrate

of the nation in his official capacity announces to the legislative branch of the government what he conceives to be for the good of the people whose will it is supposed to manifest, that such papers should be treated with respect, they should be carefully read by every citizen. I don't know that I can carry out my own suggestion of reading the president's message to night, but he says "I commend to your attention, your earnest consideration, first: the repeal of so much of the legal tender act as makes those notes receivable for debts contracted after a date to be fixed in the act itself, say not later than the 1st of January 1877." GEN. GRANT is a great man, a great soldier; whether he is a great statesman we all have the same opportunity of judging; but from my standpoint I don't think, he is a great financier. No. [Applause.] I don't think he is a great jurist. Now, I am not going into politics. But, gentlemen, remember that if you are not already slaves, that you have a right to talk about the acts and proposals of your servants.

I did not come here to make a political speech, but I am exercising the right of an American citizen to consider the effect of the various clauses in the message of the President; and if that is objectionable I will stop. [Cries of "go on!" "go on!"] I say that it takes two to make a bargain; and I say this: that the act proposed to be passed for the purpose of preventing the legal tender notes now outstanding, from being used as a legal tender, is the second act of repudiation. [Applause.] The first act was, what reduced the nominal value of the greenback below gold. If the greenback had been always convertible into six per cent. bonds it would have disappeared long ago. They would have been owned by English agents, converted into six per cent. bonds, and carried across the water where the ordinary rate on such investments as that does not exceed three per cent. Greenbacks would have disappeared long ago, and it may be a good thing that this partial act of repudiation occurred. It has preserved to the American people of this day what I conceive to be a great advance in finance. Venice introduced the system and practiced it successfully for nearly six hundred years, that the national debt should furnish the circulating medium among its citizens; and to-day we, like Venice, we "inflationists," propose to return to the old system of Venice, so far as we can, by adapting it to our present circumstances, [applause,] a system during the operation of which, for nearly six hundred years there was no panic and no financial crisis; a system under which the

paper money, consisting of book account, went to a premium of thirty per cent. over gold coin; and branches had to be started in order to receive the gold coin, and then only reduced the premium ten per cent. leaving the government debt shares standing at twenty per cent. premium, and it stood so for centuries. And so the great mistress of the commercial world, who commanded the commerce of the east, thus carried on its business until one of Napoleon's marshals went into Venice and seized the books. That is what he got; he got books; the government debt was beyond reach, and only the account of what Venice owed to certain of its citizens was seized. But Venice was in some degree, at least, what may be compared to immorality. That city was occupied; its dwellings were occupied: its treasures that were found, were confiscated; but Venice still lives; and Venice, when the wave of war had passed over, stood up again, and paid its debt. Florence carried out the same system as the branch of the bank of Venice, with a government loan department, and was prosperous, and Florence for a long time was the commercial metropolis of Italy. Genoa had the same system and the same experience. The bank of Amsterdam exists to day. It has no promise out without something equivalent behind it, and therefore they are

NEVER AFRAID OF A RUN,

and they never suspend. The bank of Hamburg is to-day carried on on the same principle, of having the things promised behind their promise, and it was only 181 years ago, that the king of England was "hard up," and some merchants got together and said "if you will give us the privilege of issuing all the paper promises we please and have the monopoly of so doing within London and a circuit of sixty-five miles, we will lend you £1,200,000 in coin. And it was so arranged, and up to 1844 the

BANK OF ENGLAND

issued all the promises it chose to issue, and the only way to know whether it had any coin was to try by presenting the notes; and the people tried, and three years after the Bank of England was born it suspended specie payment. I want to be accurate; I want to give the dates. I think I said that the Bank of England was established 181 years ago. It was in 1694. I said that it suspended specie payment in three years; it suspended in 1697, just three years afterwards. It

SUSPENDED AT VARIOUS TIMES,

but it suspended in 1797, and remained

suspended officially, and for the most time practically from 1797 to 1823—twenty six years, though during the last three years it did pay some coin when it felt like it and had it to spare. It was a matter of option, the law permitting it to suspend until 1823. *parliament repealed* the Resumption Act eleven times, and finally the bank resumed specie payments, and in 1825, two years after officially resuming, it suspended specie payments again, and like another blind Sampson, tore down the columns of the temple of British commerce, and scattered devastation and ruin throughout the land, among the people, among the women, and among the helpless children. How did it tear down the commerce? By trying to avoid suspension, by contracting the currency, by breaking the merchants in forcing them suddenly to pay their loans. It did not suspend in 1839; but it went to Baring Brothers, bankers, private capitalists, and asked them to save the credit of the great Bank of England and the British nation. Baring Brothers gave them what some call a Kiting bill. They drew on their Paris correspondent for £3,000,000. The Paris correspondent accepted the bill, and the Bank of France cashed it, thus saving the Bank of England. In 1847, three years after the Act of 1844 was passed, under which the bank is now acting it "squatted" when only £1,994,000 in coin was left in the vaults. In 1857—understand every one of those dates indicates

A FINANCIAL CRISIS,

a stoppage of all commerce and business, a breaking up of the merchants and manufacturers, and great distress among the people—in 1857 the crisis reduced their cash to £1,462,000. In 1847 and 1857 and again in 1866, the time of the great Overland and Gurney panic, then they had only £3,000,000 left, and in each of those cases which have occurred since 1844, and the passage of the "Bank Act," the government has stepped in to relieve the bank, and has said:

"THE ACT OF 1844

is suspended." And what does it mean when it says that the Act of 1844 is suspended? Previous to the Act of 1844 the Bank of England was allowed to issue to any amount their promissory notes, called bank notes, without restriction of any kind. I will not be unfair. They had some capital paid in, but it was principally, if not wholly, invested in government debts, that is, the government owed them. There were no bonds for it; there were no consols for it. It was a book account, and it was understood that that debt should stand, and never be demanded by the Bank of England as long as it exercised the privileges of its

charter—the issue of those notes, and the exclusive issue, and the monopoly of the issue in London and the circuit of sixty-five miles. The Bank Act of 1844 authorized Fiduciary issues to the amount of £15,000,000, but if the Bank issued any more than £15,000,000, then it must have in its issue department—for the bank was separated into issue and discount departments by the Act of 1844—dollar for dollar, pound for pound in coin, either silver or gold, the proportions being fixed by law. It must have silver or gold for all over £15,000,000 sterling, but for the £15,000,000 sterling it need not have any gold or silver. This issue was called fiduciary. At these periods, in 1847, 1857 and 1866. the Act by which they were limited to £15,000,000 of issue without gold behind it was suspended, and they were permitted to issue to any amount, the same as they were before the Act was passed. At the date I have before me the banks of Ireland had £7,000,000 circulation; the bank of Scotland £5,000,000; and the country banks, what is called country banks, had enough more, with that of Ireland and Scotland and the £25,000,000 circulation of the Bank of England (£15,000,000 fiduciary unsecured, and £10,000,000 with gold behind it) to make £43,000,000 circulation, £30,000,000 of which is "Fiduciary." Now the banks of Scotland and the banks of Ireland by the Act of 1845, whereas previously they had been allowed to issue notes to any extent—as George Smith used to issue them up there in Chicago, (and he understood the way of doing business on the Scotch plan, he was a Scotchman and a good banker too, though his system was bad, and a bad system well managed is better than a good system managed by ignorant men that don't know their business); the Scotch have well managed their bad system, much better than the English have—I say that what the Scotch, Irish, and private and joint stock banks had in circulation up to 1845, the average being taken for four weeks previous to the act going into force, that amount of circulation they were allowed to continue to issue without any restriction whatever, but over and above that the banks of Ireland and Scotland, and the private banks were to keep pound for pound in coin behind the excessive issues which are called the covered issues, and the other is called the uncovered or fiduciary issue. Previous to the Act of 1844, anybody could issue as many notes as he chose; there was no law prohibiting anybody from issuing notes to circulate as bank notes in the place of money if the people would take them, and all those that were issuing and had notes in circulation at that time, 1844-5, are to-day permitted to continue their issues—fiduciary issues—in the

same way. But, I repeat, wishing to make myself thoroughly understood, over and above what they had out for an average of four weeks previous to the passage of the Act of 1845, they must have gold behind it, and for this amount only. That is the English system, the British system. It is generally understood in this country that under the English system every bank note has a gold dollar behind it. This is a grave error. There are £43,000,000 of notes in circulation, and only £13,000,000 in gold to redeem them with. This for all of Great Britain and Ireland. They had at a recent date forty-three millions of circulating notes, thirty millions of which was fiduciary, with thirteen millions of coin to redeem forty-three millions of notes. The consequence is that they can not redeem forty-three millions of notes with thirteen millions of coin; and whenever the demand is made, (and the demand is made on an average interval of from five to ten years in England), they suspend and produce a financial crisis. I presume I have said enough with regard to the English system. All those that are interested in the subject should read the recent English works upon the subject, and they will find that I have not misstated anything; and if they will look in the Chicago *Inter Ocean*, this morning, Dec. 14, they will find that though Prof. Bonamy Price of Oxford, England, kindly criticised an address like the one I am making to you to-night (almost entirely without notes, and depending on memory), yet you see that I have been able, I think, to sustain all the positions that I took in that address by quoting from Professor Bonamy Price's own latest work. I merely say this to impress upon you the fact that I am not making wild assertions. This is a matter that I am deeply interested in. I feel the importance of the subject. I feel that there is *no satisfactory system of finance in the world*, and that here in the United States, growing out of our war experience, we have the germs of what with some modifications may be easily made, almost a perfect system.

BOND REDEMPTION.

If you will make the greenback to-day convertible into a bond bearing six per cent. interest, it will command more than a dollar in gold. U. S. 6 per cent. bonds are worth in London 112 in gold to-day. If you will make the greenbacks in circulation to-day convertible into a bond bearing five per cent. gold interest, you will make them worth more than par in gold, because five hundred millions of those five per cent. bonds have been sold abroad for over par in gold within the last two years. If you would make the

greenbacks convertible to-day into a five per cent gold bearing bond, the capitalists of Europe would send over whatever they could gather up to take your greenbacks, take them to the treasury of the United States and convert them into gold bearing bonds, and take them abroad, as they have taken the balance of them, and so, more completely place us in the condition of Ireland, sending our yearly rent abroad across the water to our non-resident landlords or proprietors. The foreign owners of our bonds draw rent from every farm and every factory, *but don't spend their income here*, and that is one of the influences at work to keep us in poverty. Our bonds should be owned at home.

THREE PER CENT. INTERCONVERTIBLE BONDS.

Make your greenbacks convertible into a bond bearing three per cent. gold interest, and you place them on a par, at least, with the the British consol which bears three per cent. gold interest; and if our whole debt of two thousand millions was placed at the same rate that the British debt is placed at, three per cent. interest, it would only take sixty millions of dollars a year to pay all the interest on our national debt, while we are collecting now every year, and even in these hard times, not to speak of internal revenue and other sources of income, at our custom houses more than one hundred and thirty millions a year gold; more than twice as much as it would cost to pay the interest on our national debt at three per cent. gold, which is the rate at which the government of England places its immense debt. We have been to school, some of us. They used to call it

THE RULE OF THREE

when we went to school: now they call it simple proportion (laughter), simple proportion. and now if any of you remember about the rule of three, we will make the proportion we are after—as three per cent. gold interest upon a British consol is to ninety-four gold in London, its price to-day so is three per cent. gold interest on an American interconvertible bond to ninety-four gold in London its price to-day. That is fair, is it not? You have that common factor of gold, that is the reason I put gold in there. I want a common factor by which we can measure the value of our bonds as compared with the value of the bonds and the currency of any other nation. That is what I call a

SPECIE BASIS.

That is to say, a three per cent, interconvertible bond or certificate would be worth 94 gold in London. We don't want it to be at par in London. If it was worth

par in London they would have them all away from us. We don't want them at par in London, but we have a little point in connection with these plans to make them worth par in the United States, though they may not be worth par in London, to make them worth more here than they are abroad by their being convertible at the pleasure of the holder into (exhibiting the greenbacks) these little *non-interest bearing bonds*, which are yet, thank God, legal tender for the payment of individual indebtedness (applause), and which we would make convertible into our own three per cent. bonds or certificates. Therefore:

PROVIDE BY ACT OF CONGRESS,

For the convertibility and revertibility of United States legal-tender notes and gold-bearing certificates at sub-treasuries or designated depositories in all the recognized financial centers (see section 31 National Bank Act), in sums of ten thousand dollars (\$10,000) or multiples thereof, at the pleasure of the holder; certificates to be revertible at pleasure into legal-tender notes, at places of issue, to bear gold interest at the rate of one dollar (\$1.00) per day on ten thousand dollars (equal to about three per cent. per annum, if dies non and the day of presentation for reversion to be excluded); these certificates to be available for all the purposes for which three per cent. certificates were available (see Act March 2, 1867).

Said United States notes, temporarily retired to remain in the sub-treasury or depository, where received, until demand on presentation of certificates issued at said sub-treasury or depository, from each of which reports of expansion and contraction shall be forwarded daily to the United States Treasury, both by mail and by telegraph, and said reports shall be open to the inspection of representatives of the press.

You want specie basis. There is a specie basis in this plan. Do you weigh your hay by piling on fifty-six pound iron weights until you balance down the ton of hay with a ton of iron? Do you weigh those cars at the railroad stations by piling enough iron on the other side of the scale to equal the weight of the car? You gave that up long ago and introduced the Fairbank's scale for measuring weights. Now we propose to introduce the Fairbank's scale principle for measuring values, and the interest—the little *pea on the end of the steel-yard*, will weigh so accurately that a sixpence will turn the scale, every time (applause). I am one of your inflationists. I am a rag-money man, but I do not know any place on the civilized world to-day where they are not using rag-money; and the question is whether it shall be

THE PEOPLE'S RAG MONEY,

or whether it shall be the rag-money furnished by a *class* and rented to the people at a high rate. The rag baby—some of them are filled with saw dust; but let us have an honest rag baby, that is, good paper rags all the way through (laughter and applause). Now we have talked about the English rag-baby let us talk about our nearest neighbor,

THE CANADIAN RAG BABY.

The banks of Canada furnish the

largest part of the circulating medium, but the Canadians are getting to have their eyes open. Our Kanuck neighbors have an issue of ten millions of greenbacks over there—*ten millions of greenbacks*, or dominion notes—and if any of you have traveled through Canada much you have handled them, and know that you could not at this distance (showing his greenback) tell them from one of our rag babies. Ten millions of greenbacks issued by the Canadian government. It is true; I want to be fair about it; they have got two millions of gold. Half of it is in Toronto, and the *other* half of it is in Montreal. They keep one million in Montreal and one million in Toronto to redeem the ten millions of greenbacks with (laughter), and then they tell these banks "You must keep one-fifth of your reserve in our Dominion greenbacks. I am not so sure of the details, and I am going to reserve the right to look up authorities at my leisure on this, but if I am not mistaken, last fall there was a little financial flurry over in Canada. It did not come out very plainly what was the matter, but from what the newspapers said, I take it that there was a heavy export of gold, just the same as there was from California immediately before the Bank of California died for want of financial breath, and they were beginning to breathe hard, and the atmosphere, financially, was thin in Canada on account of the amount of "*specie*" drawn to England—the amount of gold. The specie basis was being cut away from under the bottom, and they wanted to play sharp on the Dominion government; so they sent in, through somebody else, I suppose—no, I presume it was all done fairly, and the Canadian banks had the right to demand gold on the promise of the government to pay coin. The government had two millions of coin, and the banks thought they might as well have it. They could not ship the government notes abroad—and that is the beauty of them—so they called on the agents of government at Montreal and Toronto to shell out the coin; and the agents telegraphed up to Ottawa to the Minister of Finance, as they call him there—that the gold was running out, and the greenbacks were coming in; so he telegraphed down to the proper agents of government, who deposit Custom House money, and revenue money with some of the banks, to draw their checks on the banks, for the government deposits. Well, the deposits amounted to a good deal more than the Dominion notes held by the banks; and the banks said, "If you will let up, we will, and we will get our notes in by squeezing the merchants and compelling them to

pay their notes." Hence recent reports of commercial failures in Canada. [Laughter and applause.]

That is the way I understand it. I don't mean to say it is so, because they have not told me, and I don't believe they will, but I suspect it. [Laughter.] Now they have fractional currency there, but they have not the inter-convertible idea. But our fractional currency is inter-convertible with greenbacks, and hence our fractional currency is never either redundant or deficient. Lately, however, the Solons at Washington have got into the notion that we, the people, do not want our fractional currency any more; that we want silver. The people never found that out. They must have got it down at Washington, *via* New York. Wall street is, to a great degree, simply an agency, a foreign agency. The interests of New York are more thoroughly identified with Europe, whose factor it is, than with the interior of this great country, for which they furnish an entrepot. The American people have all left Wall street. [Great applause.] Now that place down there is very near Washington, and they have one of the lightning trains running to carry the New York papers into Pennsylvania and squelch all the local dailies. New Yorkers run down so quickly from New York to Washington on the lightning train that they are in the lobby of Congress almost all the time. They take breakfast in New York, spend the day in the lobby, and get back to New York to dinner. You are so far away you cannot look out for western interests, and I am afraid you don't send men down there that are posted. Why don't you send somebody down there that is "posted" regarding American interests? [Laughter.] The bullionists manage that thing down there and they are trying to do away with that system of fractional currency, because it is such a splendid illustration of the practicability of the inter-convertible bond. Now the issue authorized (of fractional currency) was fifty million dollars, and there never was any inflation. There never was any inflation of fractional currency, for the people never took any more than they wanted to use, (laughter) and the highest they ever took out, and that ever was out, was forty-three millions of dollars. They had a chance to get seven millions more if they had any greenbacks to give for them, and wanted them. Anybody can go to the sub-treasury and say, "Here is a five dollar greenback; give me five dollars in fractional currency;" and the clerk there "shells" it right out. Well, if you are doing a grocery business, or keeping a pea-nut stand, or something of that kind, and get all small fractional currency and you take it right

to the sub-treasury and say, "I have too much fractional currency, give me a five dollar greenback;" and they take it in and give you greenbacks. That is the inter-convertible idea. There it is, a perfect illustration of it. It works beautifully, and what do we want of silver? We can make our change with fractional currency. What is the use of tinkering with a machine when it is running well. Is that the way you do with your watch? [Laughter.] If you want your watch tinkered with you get a watch maker to tinker with it; you don't get a blacksmith. (applause.) We want honest money; we want a currency that is absolutely convertible at all times into something that is equivalent to specie, and better than specie, and that never can give out. (great applause.) For myself, I am in favor of

SPECIE BASIS, NOT SPECIE REDEMPTION.

Specie redemption is impracticable; it has been thoroughly tested and proved by many generations of able financiers, that you cannot redeem one hundred dollars unless you have one hundred dollars to redeem with. (Applause.) And we don't want to walk around in that same old track, like a blind horse in a bark-mill. (Laughter.) And we have tried it often enough. We don't want to *resume* it any more.

SUMNER ON FINANCE.

We have had suspensions of specie payments, general financial crises, and commercial and industrial collapses, in this country, ten times during the last fifty-nine years, and if all financial wisdom has been exhausted, as Professor Sumner, of Yale College intimates in his history of American Currency, we are badly off. What would Prof. Sumner have said to James Watt or Prof. Morse? Would he have told them that there is nothing new to be discovered? He don't tell those Englishmen what is the difference between a greenback and a national bank note. He don't tell anything about the system the New York Clearing House adopts in times of panic, and which, with some modifications, will be a great advance in finance—a means of quietly swapping off indebtedness without disturbing business.

Prof. Sumner does not describe the three per cent. certificate which were issued to the amount of eighty millions, and worked beautifully in giving elasticity to our currency, and how the law was ignorantly repealed which authorized the issue of three per cent. certificates, authorizing greenbacks to be taken to the sub-treasury and three per cent. certificates taken out, and then the three per cent. certificates returned and the interest paid up to the time they were returned and greenbacks taken out for their face. This is the system which we

now propose to restore, perfect, and extend—a system thoroughly tested and proved to be good. He says nothing about that law or its repeal. He does not say any thing about the fact that after its repeal, the last element of elasticity having been taken from our financial system, that it became necessary for the Secretary of the Treasury, on his own responsibility and without authority of law to go to New York and lend five millions of dollars to the banks of that city after the Chicago fire, in order to prevent a general financial and commercial crash in the country. He says nothing with regard to the fact that after the Boston fire the same thing was done by the Secretary of the Treasury to prevent a crisis. He tells nothing of our fractional currency in his history of American currency. Is not his history like the play of Hamlet with Hamlet left out? It is not strange that there should be so much ignorance upon the subject of finance when writers who are college professors and professed scientists dogmatise upon it by making false and arbitrary deductions from insufficient facts.

SAFETY VALVE AND GAUGE.

Now, if you have a nice city that you don't want to have burned up, you establish water-works, don't you? and you try to provide a reserve of water—a reservoir somewhere so that in case of a big fire like the Chicago or Boston fire, you need not call in the secretary of the treasury to come all the way from Washington and furnish water

TO PUT OUT THE FIRE,

as he did as to the financial features of the case after the Boston and the Chicago fire, and to some extent in the panic of 1873, after long labor at the Fifth Avenue Hotel of New York where the mouse was brought forth, but not until too late to prevent the crisis in 1873, from the effects of which you are now suffering. I say, let there be a financial reservoir; restore that forty-four millions to the treasury that Secretary McCulloch retired, or keep in the treasury those millions of greenbacks that have been retired during the last nine months and a half, to be burned in the treasury building at Washington. Restore forty millions of greenbacks to the reserve where they cannot be reached except under the provisions of such a law as is suggested, and in that law recognize the fact that this is a great country, great in extent, great in commerce, great in manufactures, great in agriculture and great in having a people who are capable of understanding as to their interest, and are omnipotent, humanly speaking, to command. [Applause.] Enact such a law as this:

[FLEXIBILITY. Safety Valve to relieve extraordinary pressure, and to relieve the Secretary of the Treasury from onerous and undue responsibility, and a Gauge to measure the actual demand for more currency.]

1. To permit any holder of ten thousand dollars, or multiples thereof, in any of the Gold-bearing Bonds of the United States, to retire the same temporarily, at the Sub-Treasuries or designated depositories in New York, San Francisco, New Orleans or Chicago, under regulations to be made by the Secretary of the Treasury, and receive an amount of

United States legal-tender notes equal to the face of said bonds temporarily retired; and upon presentation of a like sum in United States notes at the place where said bonds were temporarily retired, to receive the said bonds, or their equivalent in kind, *less the interest which may have accrued during the time that the said bonds were temporarily retired.*

And provide, further, that the Secretary of the Treasury be required to hold in reserve United States legal-tender notes to the amount of forty millions of dollars (\$40,000,000) to be used for the purpose of temporarily retiring United States bonds as aforesaid, but the said notes shall not be used for any other purpose, nor shall the whole amount of the United States legal-tender notes, including those which may at any time be held in the United States Treasury, sub-treasuries and depositories, exceed four hundred millions of dollars (\$400,000,000), until expressly authorized by law.

The financial centre of this country is near the centre of its population, not at the port at which it receives a few goods from a foreign country, and from which it ships a small percentage of its surplus products. Provide that forty millions of dollars shall be accessible at New Orleans, San Francisco, Chicago or New York, in this wise: that any person, white, black or chinese, who shall come to any one of the sub-treasuries in either of these four cities with United States government bonds, four, five or six per cent. bonds, in round sums so that it won't make too much labor, too much account keeping, and have the right to say to the agent of the government, here are ten thousand dollars, say, of your five per cent. gold bearing bonds. Currency is so scarce that I am willing to take your non-interest bearing bonds, called green backs, and forego the interest on these bonds until I bring these green-backs back and replace them in the reserve, and that is a good trade for the government, as it will save five per cent. on so much debt. I am not going with my bonds that bear five per cent. gold interest to get green-backs which don't bear any interest unless I am going to pay them out and put the currency into the financial circulation of the country and thereby benefit the whole community; and therefore just as soon as times are easier, and the man I lent these green-backs to comes back and says, "I am ready to pay that note;" I take the green backs and I carry them back to the sub-treasurer, and I say "you may give me my bonds, I will take the interest on them henceforth for a while; you may cut off the coupons for as long as they have been in your hands." Now that is a gauge to measure the actual demand for more currency. I you have a steam-engine, how do you know how much water is in the boiler? You try the gauge and then you will know; you don't guess; you don't want to travel with an engineer who guesses how much water is in the boiler and how much more or less is required; I don't want to travel with any such engineer as that; I want to travel with an engineer who has a gauge to his boiler and know how much water he has by actual test. Now this is your currency gauge, for if during a long period much of the forty millions is out, it will show that the people who have relieved the demand for more currency are sacrificing individually their five per cent. interest to the general good which is doing more than their share, and therefore it indicates that the country can absorb more currency without inflation. [Applause.]

In the Cornish mines they had a boy to handle the throttle valve of their steam engine. The Secretary of the Treasury is comparable to that Cornish boy. According to his judgment when he thinks he wants more steam, I

opens the valve and the piston goes up, and he says "well, after a little I guess I will let her go down." (Applause.) And he does it all by hand. There was another steam engine attended by a boy. He would open the throttle valve and let on more steam. The steam would go in under the piston and lift it up, and then he would turn another little cock that would let in cold water that would condense the steam, and down would go the piston, then he would handle a lever and would go up and then turn the little cock that would let the water in, and down she would go. That is the way they pumped the Cornish mines with the old engine of Savery, before Watt. They had a shiftless kind of a boy, and that thing kept going up and down, and this thing kept going up and down, and the boy said: why could not that working beam open and shut that throttle valve? So he got some rope and tied it fast to the throttle valve and to the lever of the condenser cock fastened them to the working beam, and the thing went first rate and worked itself, and the boy went off and played marbles. His master came along and said, "what are you doing here playing marbles, why don't you run the machine?" and says he "Don't the machine run itself well enough? it runs itself better than I can run it." So will the financial machine proposed run itself better than anybody can run it. When we get it in operation the Secretary can leave the working beam to open and shut the valves, and he may also go and—play marbles. [Laughter and applause.]

We are building a little financial engine now, and we will see how another part of it will run. Next, suppose that I am engaged in the business of pork-packing. I don't want to buy pork in mid-summer; I don't want to pack pork in July; I want to come down here to Champaign about this time in the year, (December.) I want to buy my pork in packing season. Now say I have one hundred thousand dollars to invest in pork: when the proper season arrives. I have \$100,000 in greenbacks for which I have no present use, I take them to the sub-treasury of the United States and I say there are one hundred thousand dollars of irredeemable greenbacks. Why don't the government do something with them? Why don't they make our currency as good as gold? I don't want to buy hogs with these greenbacks in July, and I step right over to the sub-treasurer and say, "what can you do with those things?" and he says "Congress passed a law this last winter authorizing me to give you three per cent. interest, gold-bearing bonds for these." "Yes, but they will be tied up; I don't know that I can sell the bonds when I want to buy hogs in the Autumn." "Well that is all right." "How?" "Why, they are interconvertible bonds, or certificates, interconvertible certificates. We call them interconvertible certificates so as to distinguish them from the long bonds which Gen. Grant proposes, three sixty-five long bonds which will go to England and stay there. [Laughter.] There is a wide difference between the 3-65 long bonds proposed by President Grant in his recent message to congress and the 3-65 interconvertible bonds. He (the sub-treasurer) says it is interconvertible. What does that mean? It means this: You shall have your green-backs converted into interest-bearing obligations of the government now when you don't want to use them as currency. The government owes you the amount represented by the green-backs. It issued them as munitions of war, rations, forage and blood; it owes his debt. The government does not care to make sacrifices to pay the debt when the people do not ask payment. The United States will give you interest on this portion of its debt whenever you ask it, and congress has passed a law to that effect. They have also realized the fact that it is all debt; that they ought to pay interest on it the same as any other debt. You are a creditor of the government. The government owes you one hundred thousand dollars. You are the financial successor of those who furnished the munitions of war or served as soldiers or sailors. You may bring the one hundred thousand dollars of green-backs here." Here are your certificates, three per cent. interest-bearing certificates. I take them and put them in my pocket, keep them until cold weather, and when I want to buy farm products then I step right down to the sub-treasurer and say: "Let me have those green-backs; here are your certificates," and the sub-treasurer turns me out my one hundred thousand dollars in green-backs and interest from the time I put them in the sub-treasury, until I take them out; no interest on them but on the debt which they represent. The Government gave me another form of obligation, and

I take my green-backs in exchange for my certificates. Now I go into the country, and bring back farm products and prepare them for the consumer and sell them and towards mid-summer, I get my currency back. I get my one hundred thousand dollars greenbacks again; go to the sub-treasurer, get the certificate put it in my pocket; then in the fall reconvert it into green-backs, buy and pack hogs with it. That is what we call elastic currency. [Applause.] It contracts when you don't want it, and it expands when you do want it. [Applause and laughter.] *Qui facit per alium, facit per se.*

ELASTICITY DON'T MEAN STRETCH.

It means spring, and spring goes both ways; that is what we 3-65 rag-baby men are after. If I am not talking good sense don't believe me; but if the next man who comes along here to talk to you on this subject, does not talk good sense, don't you believe him. If a man comes and tells you that he is talking financial science and it is so deep and so wide that you cannot touch the bottom or get across it, tell him that common sense is a systematic arrangement of facts and correct conclusions therefrom; that science is uncommonly good common sense and that anything that is contrary to common sense is not scientific. [Applause.] The trouble with the Englishmen is this. They are trying to understand a system that is not understandable. They are trying to tinker up and preserve a machine that is outgrown and unworkable, and our people should all know this; when they do they will no more than of re-introducing it into this country think they would of importing London fogs.

The discussion of the financial question in this country is for the perfection of a system that has so far grown out of our war experiences, and that we have got so far advanced in in spite of our main strength and stupidity in trying to surpress it.

Common sense is a systematic arrangement of facts. We must get all the facts in. I was talking about one hundred thousand dollars that I got back for my pork after it was packed. I said I took it right over to the sub-treasury, and the government gave me certificates for it, because it was a debt. Now there are black-backs mixed up with this new lot of green-backs; when I get it back I take it over to the sub-treasury and I say to the representative of the United States: "Sir, I wish to have three per cent. certificates of ten thousand dollars each for these one hundred thousand dollars." He looks it over and says: "I cannot do that." "Why?" says I, "you did it for me last year." "Oh yes, I did something of that kind for you last year, but you had the green-backs pure and simple, no mixture; this is a mixed article; we don't take in that kind of mixture here. We will assort it for you and take in what belongs to us. What shall I do with the black-backs [National bank notes.] There is a redemption bureau in Washington; you have to send them down by express and they will send you back green-backs for them." "Well, yes." Now, the farther I live off from the bureau, the more it costs me in money and in time. Because New York is the great financial center; the law is made to suit New York not Minnesota. Do you see that point? The center of redemption is away in a corner of the country. It is worse for those people that live far away. It takes more time and express charges to send your National Bank notes to Washington for redemption than it does if you had a bureau in each one of the sixteen cities, the way it was originally arranged in the national banking system—Milwaukee, St. Louis and so on. That was amended in favor of the East.

"WE DON'T LIKE THIS ACTIVE REDEMPTION," say the National banks.

"The green-backs used to be the same as national bank notes, and now the government is making them interconvertible with three per cent. certificates. I don't like it." "Because it makes them worth more than the national bank note, and the national bank notes are not convertible, and so we have to redeem them; we have to keep a large line of greenbacks at Washington all the while. Then they begin to think why would it not be a good plan for us to use those 3-65 bonds. What is the use of our keeping bonds to secure circulating notes all the time, while we can sell our bonds at a premium. While the law permits it, send the notes down as fast as they come into Washington and when they get to the redemption agent turn them right into the department and have them turn out a bond; and if they turn out a bond

tell them to burn up the notes. You burn green-backs now; then you will burn bank notes, and we will reduce our circulation. Oh, yes; here is the new law:

V. Permit any national bank (without necessarily reducing its capital, or surrendering any of its franchises) to reduce its circulation and withdraw its securities *pro rata*, until its circulation shall not exceed five thousand dollars (\$5,000).

"Any national bank may reduce its circulation without abandoning any of its franchises until it shall not exceed \$5,000," and now we will get all our bonds from Washington, but five thousand dollars; we will retire all our circulation but five thousand dollars, and we will use the inter-convertible bond and not be bothered any more with that redemption business, because actually the circulation don't pay us much. To be honest the circulation of national banks when you come to make the green-back convertible into three per cent. certificates won't pay. Start lively redemptions on them scattered, as they are, all over the United States. It won't pay them much. But wait and get the green-backs out of the way—establish the fact that the people of this country have already pronounced what kind of money we are going to have in the future—that is a quotation, recollect it? Establish that fact, and when you have got the green-backs out of the way, and when you have got out of the way that very worthy and respectable class of citizens who at this time own and control, for the most part, the national banks, who, when the government wanted everything and did not know where to sell their bonds, and when those

FOREIGN CAPITALISTS TURNED THE COLD SHOULDER

and said they did not know "how that cat was going to jump," said in their patriotism, in this town, perhaps, and in other towns all over the country, "we will put in our means, and we will buy government bonds and we will start a national bank here." When the whiskey ring class get these men out of the way that are stockholders, to-day, in the national bank system, and when they get in a class of men that know how to start a bank of a million capital without a cent, then they will amend the law so that it will pay to have a circulation. If the people of this country haven't any better sense than to let everything go by the board, and to allow themselves to be handled by the whiskey ring class, who will get hold of the national bank franchises, who will traffic in your financial atmosphere, as your city company does here with its gas, if this happens, the greenbacks will all be burned, and all the circulating medium will be furnished in the shape of national bank notes, which will soon become like Illinois and Wisconsin "stumptail" currency. [Applause.]

THE QUESTION IS NOT BETWEEN GOLD AND PAPER CURRENCY.

It is between a paper currency issued directly by the people's agent and made redeemable in government bonds, and a paper currency issued by a class, and theoretically redeemable in gold, but practically redeemable in nothing. For when demand is made for coin in redemption, suspension and panic always ensue. Moreover, the national bank system, if perpetuated, will become an instrument of tyranny in the hands of every dominant party. There is *only one* national bank; what you call national banks are only *branches*; they are run by the "Bank Examiner," who receives his orders from the central office at Washington. He knows every business man's business, and may handle every business man's purse strings. [Applause.]

Now I want to be consistent, and I want to say nothing upon the platform that I cannot answer in the face of the world. We want, not only money of the realm, that is good to the sheriff, but we want that Scriptural kind of

MONEY THAT IS "CURRENT WITH THE MERCHANTS"

who are not compelled to sell; we not only want money of the realm, but we want current money, money that will go from hand to hand, and money that no man, *if he keep it over night will get stuck with*. We want money that, passing from hand to hand in commerce, when the tide rises, when business is active, will come out, but when business slackens, and there are not so many purchases and sales, will flow away out of circulation, that it will be solidified, as water is solidified into ice, by being convertible into the bond; and when that notion, which is in science another word for heat, when that activity of commerce is sufficiently intense that the ice of the bond should melt into the water of the currency—current money, money that when I receive

it, I know that I will receive for it an equivalent equal to what I gave for it. We want steadiness in value, and in order to have steadiness in the value of the currency, we must have elasticity in its volume, and that is effected by the inter-convertible certificate. I have spoken of

GOLD FOR INTEREST.

I say gold for interest because the price of gold is to-day the recognized standard of values throughout the world. But I say let the interest on the inter-convertible bond be paid in gold or legal tender small bonds, at the option of the holder of the certificate. Let all interest on inter-convertible bonds be paid by check on Washington, and when the man brings in his inter-convertible bonds, for redemption, he will find just as much money, just as many greenbacks in there as there are certificates. When they issue a certificate at a sub-treasury they must keep the green-backs in their own possession, not let them go into the old fallacy of paying out seventy-five per cent., and keeping only twenty-five per cent. to redeem with.

Now what is that thing payable in, exhibiting the greenback? When you come to talk of *payment*,

A MAN CANNOT PAY HIS DEBT IN HIS OWN PROMISES

Promises do not pay, though they may renew and extend debt. Promises may be taken with the consent of the holders of the outstanding obligation in lieu, and are often preferred to payment. You cannot go to the store keeper, however, and say, "well, I am going to pay now; give me a piece of paper." You write a note without interest, you hand it to him, and says I am going home to my family, and feel my debts are paid." But that note does not pay the debt. And when Mr. Chase sat down, with his pen, in the darkest time of the war, and wrote out, "The United States will pay one dollar," what did he mean? He meant just exactly what a dollar was when he wrote that first greenback, and that is what it means to-day, gentlemen. And you don't want to do anything that is not right. If it comes to a payment—what was a dollar according to the definition by the laws of the United States when it was issued is a dollar now.

BUT WE DO NOT WANT THEM PAID.

We want them for a currency to circulate among our people; non-interest-bearing, but convertible into interest-bearing obligations whenever we wish to present them, at convenient places; and we want to strike out the words "will pay," and say in the place of them "indebted to." That cannot be done without the consent of the holder; but let Congress pass an act providing that any holder of greenbacks may take them to the sub-treasury and get three per cent. gold bearing certificates, provided he will permit them to erase the words "will pay," and put instead "is indebted to," then we will all do it, and that will be a fair bargain. There will be no repudiation about that, because we do not want the greenbacks paid; we only want them made into convertible with interest-bearing obligations of the government.

WHENEVER YOU GET CLEAR OF THE GREENBACKS,

whenever you decide that it is the will of the people that banks, and corporations shall furnish all the circulation of the country, then I say that you have got a hand upon your financial throat, and

THERE IS ONLY ONE BANK IN THE UNITED STATES TO-DAY.

I tell you there is only one bank in the United States to-day and that is the National Bank. The President of the United States is the president of that bank; the secretary of the treasury is the vice president of that bank; the Bank Comptroller is the cashier of that bank, and the so-called bank Examiner for every district is the manager of the branches in his district. People are playing bank presidents; they are playing bank directors; they think they are bank presidents; they think they are bank directors; they are simply supernumeraries. The bank examiner runs the branch banks in all these cities and towns. You get the machinery in the hands of politicians—I say politicians I don't care what party is in power; but you let them, by controlling this financial machine, have a hand on the throat of every community as large as this is all over this land, a hand that manages every purse-string, and don't you open your heads about opposition or change, and don't you talk your political sentiments unless you talk with your wife, in a whisper, with the door shut. I thank you, gentlemen and ladies, for your attention. [Applause and a vote of thanks.]

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